

**GOVERNOR'S COMMITTEE FOR THE PURCHASE OF COMMODITIES AND
SERVICES FROM THE HANDICAPPED**

**Minutes
June 16, 2004**

Small Conference Room, F. Ray Power Building, Institute, WV

Attendance: Lee Dixon, Chair; Everett Sullivan, Donna Lipscomb, Linda Maniak, Scott Padon, Exec. Secretary; Brenda King, DRS

WVARF Staff: Deana Thompson, Craig Greening, Ken Kennedy, Chris Miller

Guests: LuAnn Summers, Tim Morris

It was noted that Dennis Miller has submitted a letter of resignation. So far, no names have been submitted for consideration.

Approval of Previous Minutes: A motion was made by Everett Sullivan to approve the minutes. The motion was seconded by Brenda King. Later in the meeting Brenda King made a motion to reconsider the minutes. The motion was seconded by Everett Sullivan. The motion passed. There was one change requested by Donna Lipscomb for the minutes and she was not there when the minutes were approved. **She asked the following be added: In the May 19th meeting, Donna requested that the Ratio Report be provided to the Committee at the next meeting.**

Financial Report – Brenda King: There is \$172 left in travel and \$124 remains in hospitality. This should be enough to finish out the year.

Report of Chair – Lee Dixon: Nothing to report at this time.

Report of Executive Secretary – Scott Padon: Nothing to report at this time.

Report of WVARF Executive Director – Deana Thompson: Interviewing will conclude this Friday, June 18th to fill the position of Executive Director of WVARF.

Contract Complaints – (see handout) Ken Kennedy: Again there are no complaints with the water for this quarter. Tim Morris stated they have taken on a couple of new customers and everything seems to be working out fine.

There are a total of seven complaints under verbal/e-mail – no formal complaints. In the breakdown, the janitorial 4/6 means that out of six complaints, only four needed some type of action to be taken.

Contract Presentation – New : Ken Kennedy reported that a request for clean-up work was made (pictures were distributed) to clean up debris that washed up on parking lots. This was needed at the Sportsman Access Sites due to flooding. It was felt that since it was in an area close to where that type of work was already being done; those workshops currently holding such a contract should receive the contract.

Non-reoccurring still shows laser cartridges for Glenville State College

Contract Presentation – Renewal – (see handout) Craig Greening: There were a few changes:

- District 9 - Greenbrier County – Cancellation – Craig spoke to the Comptroller as well as the County Supervisor. Due to budget constraints, cuts were made in janitorial services. There is no complaint issue. Gateway Industries is being used instead. After the new budget comes out in July, we may get this one back.
- District 10 – Department of Highways – at the District Headquarters given .15 cents per hour increase in wages.
- Public Service Commission and Enforcement Section – The Enforcement Section used to be a part of the Department of Transportation. These two have been bundled together into one contract, the reason being that the Enforcement Section will be moving to a building adjacent to the 201 Brooks Street location on adjoining property. Wages were increased from \$5.75 to \$6.00 per hour.
- DD Council – Wage raised to \$6.00 per hour.
- DHHR - Central Facility – Diamond Building – Slight increase in the cost of the contract due to more square footage because they are also moving into a building that is adjacent to the building they already have.
- After the DHHR contract was approved in August, Craig received a contract for DHHR – Training Facility, Mitchell Building, Clarksburg. In the future, this will be included in the bigger DHHR contract.
- Department of Environmental Protection – Oak Hill – Wage was increased from \$5.50 to \$5.75 per hour.
- Miner's Health, Safety and Training – Wages were increased by .15 cents per hour.
- Fairmont State University – Jan Smith of The Op Shop spoke to the Committee a few months ago about a problem she had with someone trying to outbid The Op Shop for the cleaning of Fairmont State University. Because of this, Jan reduced the overall contract by 2%. The numbers were moved around some so that it would be more reflective of what she is actually paying in wages. She is paying more than the original contract shows. She is subsidizing the wages out of administrative overhead so the workers will not have a decrease in wages. At one time, The Op Shop was buying equipment needed for Fairmont State University. Due to the

decrease, Fairmont State will buy any equipment needed. They will continue to buy floaters.

A motion was made by Donna Lipscomb to accept the contracts. Linda Maniak made a motion to second. The motion was approved.

There was some discussion of whether the subsidizing of wages should be reflected on all contracts due to audits or just so the CRP can get credit for doing this.

Lee Dixon stated that most CRPs usually pay more in wages than is reflected on the contract. Workers need to be given raises, and this is taken from the overhead.

Deana Thompson stated it would be very hard to track that information each month. Clients move frequently to different contracts and work a different amount of hours.

Deana also said she felt in the case of an audit, it would be the responsibility of the CRP since they signed the contract and agreed to what was stated in the contract. There was some discussion of not really looking from the standpoint of an audit, but of the CRPs going above and beyond what they had to do, not making as much of a profit as it appears, and not getting any recognition for doing this.

Donna Lipscomb had concerns that maybe it could also be going the other way, with CRPs paying less than is stated on the contract. Craig Greening stated that the contract the CRPs signs state that they can't pay less than the amount listed on the contract.

Lee Dixon and Deana Thompson both agreed that in most cases, the worker is being paid more than listed on the contract.

Brenda King suggested that at the end of the year, maybe a report could be provided on this showing the average wage on the contract and the average wage the CRPs are paying.

WWARF will look into doing a report on this and get back with the Committee.

Everett Sullivan asked if there was some way that it could be written into the contract that workers would get at least a minimum of the cost of living increase and anything over that would be negotiable. Donna Lipscomb stated although she agreed with Everett, if the agency didn't have enough money for this, they may just do away with the contract all together.

Craig Greening stated that the rules and codes say that the Committee will set the fair market price. Historically if the agency says they really don't have the money for raises, then they are taken at their word. If the Committee would want to treat it differently and say the Committee will set the price and give them a format, then WVARF could look into this in the next few months and determine how this could be done.

WVARF Accounts Receivable - (see handout) Chris Miller: Under Aged Receivables as of May 31, 2004, the over 60 days adds up to about \$137,352 or 10.9%. Comparatively, these figures are not very good.

Donna Lipscomb stated that the Department of Administration is getting ready to pay. They are two months behind. Chris stated this would be \$92,000 which is a major portion of the total due.

The only other significant amount is owed from Job Squad because of taking over the Presort contract, which they are paying on monthly.

Annual Planning Follow-up - (see handout) Lee Dixon: This copy is the final copy of the Annual Action Plan with changes, which were made in a previous meeting.

Ken Kennedy asked if this was something the Committee would want on the web page. At this time, he could put this on the public part of the web site. No decision was made concerning this issue.

Linda Maniak made a motion to adopt the Annual Action Plan - FY 2005. The motion was seconded by Donna Lipscomb. The motion was approved.

New Procedural Rule - (see handout) Donna Lipscomb: This is the final copy of the new Procedural Rule.

The only difference in this document is the subheadings, which were added by the Secretary of State's office.

WVARF Budget Presentation - (see handout) Deana Thompson and Chris Miller: Based on conversation Chris had with Donna Lipscomb and Scott Padon, there was a change made from the budget mailed out prior to the meeting to the Committee. There was some debate of whether the investment portfolio should show up in revenue. The value of the investment portfolio was added on the first page and then taken out at the end so you can see what the net increase or decrease is.

The Committee members received a document titled WVARF Financial History and Program Fee Review. This document explains how and why

WVARF started the investment portfolio. No comments or discussion was made regarding this document.

Chris Miller reported that projected surplus for next year is \$74,000 which includes \$66,000 return from the investment portfolio. If you take that away, the actual projection for income from operations between State Use and Membership combined is \$8,000. This would be without any taxes or income from the investment portfolio. If this continues as it has in the past, that number could be close to \$300,000 or \$325,000, which would impact the bottom line by about \$12,000.

This is a time of transition and there is a lot of things WVARF plans to look into doing that would be a valid and purposeful use of the investment portfolio.

Deana Thompson wanted to let everyone know that the Association is going through changes right now. She said she feels they are on the right track with everyone understanding their responsibilities to the CNA. She asked that the Committee give the Association time to get a Director on board and do some positive things. She stated that she felt the Association and the Committee really need to get together and work on things. She feels that not doing so in the past has caused a lot of problems.

Donna Lipscomb stated she wanted to be sure CRPs know the Committee does not want to hurt the programs, but make them better and keep them from being harmed in any way. She wants to make sure the Committee has done what it can so the program can stand up to scrutiny. She believes that State Use will be one of the first non-profits the Legislature will look at very closely.

There is still a problem with needing the separation of State Funds and Association money.

Although Deana Thompson feels that the Association runs the CNA and there should not be a separation. She feels they worked hard to start this program and now they are being told they have \$27,000 to fund the Association. She feels the Association is the CNA and the current fee is not different then an administrative fee.

Scott Padon stated that there are two issues – one is the audit issue. He said there would probably be very few exceptions found except there may be one glaring exception that would be very overwhelming. The other issue is perception. Unless there is some digging to expose some history, the perception isn't very good. There are a lot of good things that can change the perception, but they are not exposed. More needs to be done to provide answers. The financial side has to be cleaned up so there are no questions.

Scott feels there can't be a perception that there isn't a separation between the Association and the CNA.

Donna Lipscomb is still concerned about the transfer of funds and feels this could be considered illegal. It was transferred to members only, which included those who had no State Use. The Committee requested that they be provided with an explanation of what the funds were used for so they could be assured it was used for State Use and the Committee has never received anything about this. When this comes up of why this money was distributed, the Committee has no documentation to prove that money was used for the State Use Program. Donna Lipscomb reminded committee members that Janice Holland did a letter stating that some money needed to be transferred to correct this problem, and to Donna's knowledge, this has not been done.

Discussion regarding staff time dedicated to CNA and Association duties was held. Donna felt the figures listed by the audit of WVARF which was done in 2003 were more accurate than the new figures. Chris informed committee members that the percentages listed were what Chris originally had given the auditors in the 1994 audit, so this was not percentages based on the auditors' recommendations. The new figures are based on more current information. Donna wanted to be able to see how much the public funds are subsidizing State Use. The assumption sheet shows the difference of what the auditor said the percentages were versus what WVARF says they are.

Donna feels the \$66,000 should be under State Use money and not under the Membership. She also pointed out that the membership fees don't pay the percentage attributed to staff. Donna feels this is an issue – there is a big discrepancy in this.

Brenda King stated that 4.1% is given to run this program. Obviously it doesn't take 4.1% because there is a million dollars surplus. There should not be a profit from this program. It should take the percentage to run the program and the Association should not benefit from this program.

Deana Thompson stated that Membership activities are dealing with State Use in 90% of cases.

Lee Dixon stated that being a non-profit means excess in money will not benefit any individual. Non-profits can't operate on a balanced budget. If there is one increase in cost, they would cease to operate.

There was discussion of changing the percentage the CNA receives from 4.1% to 3.75%. Donna Lipscomb referred to financial data she had and stated that even with the percentage reduced to 3.75%, there would still be a surplus. Donna stated that if they need to take money from the investment

portfolio this year, next year the percentage could be changed and the percentage could be upped.

Donna Lipscomb made a motion to decrease the fee to 3.75% for FY2005. The motion was seconded by Brenda King. The motion passed, with three yes votes and two (Lee Dixon and Linda Maniak) abstaining.

Donna Lipscomb stated she felt the minutes needed to contain more information. Brenda King reminded everyone that they really need to review the minutes and before approving them at the next meeting, make any changes that they feel is important that was not included. It is the committee member's responsibility to make any changes known at that time. Donna Lipscomb requested that the tapes from each meeting be kept.

Brenda said she talked with Janice Holland about the fact that in the beginning the minute taking was rotated between DRS, Department of Administration and WVARF. Maybe we need to get back to that so that the entire burden of doing the minutes doesn't fall on DRS.

Donna Lipscomb stated she would not be able to do the minutes because she couldn't provide them within 10 days as has been requested. Brenda King said that DRS does the best they can, but do not always get them completed within 10 days.

Ken Kennedy told the Committee about a program WVARF has recently purchased. This program would record the meeting. It has voice recognition and would convert the recording over into text in a computer program and give a word for word accounting of what was said. It has voice recognition; so once each voice is recognized, it would even give the name of each person speaking.

CRP Visits– Ken Kennedy: Ken provided this information for the approval of the Committee.

August 12, 2004 - Depart at 11:00 a.m. and go to Green Acres, Huntington Goodwill and the rest stop that Goodwill takes care of. Details of where to meet will be decided before then.

September Visit – Jackson County Development Center located in Millwood.

October Visit – Nicholas County Sheltered Workshop in Craigsville.

November Visit – Charleston Goodwill and Prestera.

It was agreed by the Committee that this sounds like a good plan. Ken will go ahead with planning these visits.

Ratio Report – (see handout) Craig Greening: The ratio report is a result of compiling of quarterly reports. If the Committee would want this report more often, it would need to be done a little differently.

The CRPs in bold are those that were below 75% last year.

Clay County took over Servia Rest area and the DHHR office in Clay County. Both were operated by Shawnee Hills. The problem is really the rest area. When Clay County assumed all these from Shawnee Hills, the client records were not picked up as requested so all the documentation for disability is missing; otherwise, Clay County Services Unlimited would probably be over 75%. Two years later documentation of whether the workers are disabled or not still has not been determined. Craig stated that WVARF would seek legal advice to find out what the proper way to proceed is with this. They can't just walk up to these people and ask if they are disabled. WVARF will pay for this because Clay County Services Unlimited does not have the resources to do this.

Shawnee Hills had this on file at the time of the bankruptcy, but the files were not picked up. It is uncertain if these files still exist because at one point there was a fire in the building.

If the CRP doesn't meet the 75%, they have to have a plan of correction. Clay County Services Unlimited doesn't have the resources to complete the necessary documentation.

Lee Dixon asked if the employee could be told that this position is open for a person with a disability and asks if they can provide documentation of a disability. Craig said as a pre-employment screening it could be made clear that this position is given preference for those with disabilities, but not after the individual is already hired.

Some problems could be the quarterly report is not being filled out correctly and there is a plan for training in that area.

Response Request for Interest – (see handout) Craig Greening: 4101 MacCorkle Avenue was previously occupied by IS&C. IS&C is moving to Davis Square as well as some people from the Diamond Building. Goodwill of Kanawha Valley was cleaning for those individuals and so they will move with them to Davis Square and continue to clean for them.

WVARF sent a notice to all qualified CRPs about a janitorial contract opportunity, which the Committee received in the mailing before this meeting.

The project start date is July 20th. Two of them indicated interest - Goodwill Industries and Prestera. Goodwill has already been doing the building, but not for Workers' Compensation.

The Committee agrees this is a new project. It was decided that Prestera should get this contract since Goodwill has more State Use.

Brenda King made a motion this new project of a Master Statewide Contract go to Prestera. The motion was seconded by Linda Maniak. Motion was approved.

Adjournment: A motion was made by Brenda King to adjourn. The motion was seconded by Linda Maniak. Motion was approved.

| APPROVED: August 11, 2004

Respectfully submitted by:
Beverly Shamblin
Secretary I
Division of Rehabilitation Services